



February 1, 2000

Sam Perlman
The Orchard
45 Orchard Street
New York, NY 10002



Dear Sam,

This letter confirms our conversation of today:

The audio CD titles listed below will be distributed by The Orchard under the terms and conditions listed in your distribution agreement.

My signature below confirms our acceptance of all your specified terms and conditions.

TITLES FOR DISTRIBUTION:

“Music For Lovemaking”
“Music For Lovemaking II”
“Sounds Of The Womb”
“A Celebration Of Motherhood”
“Songs For Dogs”
“Songs For Cats”
“Golf’s Greatest Hits I”
“Cigar Smokin’ Sounds”
“Primal Pounding”
“H2Overtures”
“Being The Best”

Thank you, and I look forward to great success

Yours truly,

Doug Maxwell

345 WEST 49TH STREET, SUITE 35
NEW YORK, NY 10036
TEL (212) 620-1028 • FAX (212) 436-0361

FROM :The Orchard

FAX NO. :2122019203

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WELCOME TO THE ORCHARD: You are entering a special place where dreams live and hopes grow. In order for it to work we must have an agreement, so here it is!

We agree to provide You throughout the Territory and during the Sales Period with listing of your Recordings in E-Stores during the Term. We will pay you Seventy (70%) percent of our Net Income, accounted for quarterly (please see www.theorchard.com for Accounting and Payment Policy), which directly results from sales of any of your Recordings.

You grant to us throughout the Territory during the Sales Period the NON-EXCLUSIVE rights to sell, distribute and otherwise exploit any and all of your Recordings by any and all means and media (whether now known or existing in the future), including, without limitation, the non-exclusive rights to sell, distribute and otherwise exploit any and all of your Recordings throughout E-Stores including, but not limited to, those via the Internet, as well as all digital storage, download and transmission rights, whether now known or existing in the future.

You grant to us throughout the Territory and during the Sales Period the rights to use your name(s), professional and/or group name(s), photographs and other images and likeness of You, biographical and/or other information concerning You regarding all of our business activities (provided we will not have any merchandising rights for anything other than your Recordings).

You agree to supply us with compact discs, including artwork, of your Recordings manufactured by You or on your behalf sufficient to fulfill orders for your Recordings promptly following our request. You shall be responsible for all the costs associated with additional preparation (including shrinkwrap and jewel box).

Payment for your sales will be processed when you account balance reaches \$50.00 (Fifty dollars). If your quarterly balance is less than \$50.00 (Fifty dollars), this amount will be rolled into the following quarter.

We shall have the right to withhold Twenty-five (25%) of the Net Income as a reserve for returned and/or defective goods. However, these reserves will be released and paid to You no later than two (2) quarterly accounting periods from the time such reserve is initially established. Notwithstanding the foregoing, we reserve the right to increase the reserve if units shipped exceeds 100 in any given quarter.

You warrant and represent that You have the right to grant us (and any person or company named by us) the rights, contained herein, without any liability to us or any other person or company from whom the rights are obtained. You will be solely responsible to pay all applicable persons and companies (including, but not limited to all music publishers) for all rights to use all recorded performances and/or other artistic materials (including, but not limited to all musical compositions and/or samples) contained in your Recordings (and/or in all artwork). You warrant that the use of the

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same by us (and any person or company named by us) will not infringe upon the rights of any nature or any person or company. You agree to indemnify, reimburse, and hold us, our officers, members, agents, representatives, successors, designees and assigns harmless from and against any and all liability, loss, damage, cost and expense (including court costs and reasonable attorney's fees) arising out of or connected with any claim by any one or more third party which arises out of any breach of any of your warranties herein, representations or agreements.

We shall not be responsible for any inadvertent error in any listing of your Recordings. We reserve the right to reject any of your Recording(s), artwork or other material submitted by You. We may assign our rights under this agreement in whole or in part. You may not assign this agreement without prior express written consent. You shall be responsible for all costs of shipping Recordings between You and Us, and shipping costs in the event of returns.

The following words when used have the following meanings: "You" means the person(s) signing as individual(s) and/or as member(s) of any group(s). "We" or "Us" means ORCHARD ENTERPRISES, INC., dba THE ORCHARD. "Territory" means the Universe. "Signing Date" means the date You sign. "Term" means a period starting on the Signing Date and ending one (1) year from the Signing Date. "Recordings" means each and every compact disc and/or any other audio and/or audiovisual recording in any format, in whole or in part (whether now known or existing in the future) which You deliver during the Term. "Sales Period" means the time period beginning on the Signing Date and continuing in perpetuity for each of your Recordings in each country of the Territory. "E-Stores" means electronically or digitally accessed commercial retailers (whether now known or created in the future) including, but not limited to on-line record stores or websites. "Net Income" means our gross receipts directly from the sale of your Recordings, minus each and every cost and expense incurred by us specifically related to those sales, not including overhead.

This does not create a partnership or joint venture between You and us. This constitutes the entire agreement between You and us pertaining to its subject matter and may not be changed, waived, discharged or terminated, in whole or in part, except by an instrument in writing signed by You and us. This agreement shall be governed by the laws of the State of New York which apply to agreements entered into and wholly performed in the State of New York and any disputes arising from this agreement shall be subject to the exclusive jurisdiction of the state or federal courts located in the City, County or State of New York.

WHEW! We're glad you made it through. Now let's get on with the good stuff and . . . Grow.